IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA

IN THE MATTER OF:)   CASE NO. BK10-80177-TJM
)
RICH LEARNING SYSTEMS, INC.,   )
)   CH. 11
                 Debtor(s)   )

ORDER

  Hearing was held in Omaha, Nebraska, on Aril 19, 2010, regarding Filing #23, Motion to Assume/Reject Lease or Executory Contract, filed by Sylvan Learning, Inc., and Filing #39, Resistance, filed by the debtor. David Hicks appeared for the debtor, Michael Whaley appeared for Sylvan Learning, Inc., David Skalka appeared for Mutual First Federal Credit Union, and Doug Quinn appeared for Diana Rich.

  Sylvan Learning, Inc. ("Sylvan") has filed a motion requesting the court to compel the debtor to assume or reject three different franchise agreements, which Sylvan suggests are executory contracts. Section 365 of the Bankruptcy Code does not require the debtor to assume or reject executory contracts until confirmation, although it permits other parties to such contracts to request the court for an earlier assumption or rejection deadline.

  Since the franchise agreements are the very core of the business of the debtor, it is in the best interest of the debtor and the estate to permit the debtor to evaluate the possibility of reorganization with or without one or more of the franchise agreements until the expiration of the debtor's exclusive right to file a plan, which is 180 days after the petition date, or July 22, 2010, per section 1121(e)(1). Therefore, the motion is granted in part. The debtor's deadline for moving to assume or reject any or all of the franchise agreements is July 22, 2010, even if a plan is not filed by that date and an extension for filing a plan is granted.

  IT IS ORDERED that the Motion to Assume/Reject Lease or Executory Contract (Fil. #23) is denied without prejudice.

  DATED: May 4, 2010

         BY THE COURT:

         /s/ Timothy J. Mahoney
         United States Bankruptcy Judge

Notice given by the Court to:
  David Hicks   *Michael Whaley   U.S. Trustee
  David Skalka   Doug Quinn

Movant (*) is responsible for giving notice of this order to all other parties not listed above if required by rule or statute.